

**Utah Legislature  
Revenue and Taxation Interim Committee  
2006 Interim**

**I. Items Assigned by the Legislative Management Committee**

**A. Income Taxes**

1. Recycling Tax Credit - to study whether to grant an income tax credit to waste recycling centers.
2. Tax Credit for Volunteer Health Service - to study tax credits for volunteer service by health professionals in a health clinic (H.B. 178).
3. Tax Credits for Donated Art - to study tax credits for art donated to the state art collection, up to a value of \$500,000 per year.

**B. Sales and Use Taxes**

1. Uniform Sales and Use Tax Rate - to study the development and implementation of a uniform statewide sales and use tax rate.
2. Collection of Use Tax on Remote Sales - to study issues surrounding the collection of use taxes on remote sales (including Internet sales), a review of trends in remote sales, effects on Utah businesses, and the revenue effects on state and local governments and schools.
3. Exemption for Basic Industry - to study expanding the sales tax exemption for basic industry (S.B. 33).
4. Exemption for Off-road Equipment - to study extending a sales and use tax exemption for off-road equipment purchases or leases.
5. Local Option Sales and Use Tax Statutes - to study election provisions related to local option sales and use taxes to determine the level of precision that should be used in statute.
6. Streamlined Sales and Use Tax Sourcing Rules - to study the sourcing requirements and rules required by the Streamlined Sales and Use Tax Agreement.
7. Tax Base Expansion - to study expanding the tax base, including sales taxes on services.

**C. Property Tax**

1. Assessing and Collecting Levy Revision - to study a rewrite of Sections 59-2-906.1 and 59-2-906.2 regarding the assessment and collection of the multicounty assessing and collecting levy

(2nd Sub. S.B. 221).

2. Certified Tax Rate - to study general approaches to calculating the certified tax rate.
3. Certified Tax Rate Calculation - to study whether locally assessed personal property revenues should be taken out of the certified tax rate calculation (1st. Sub. H.B. 386).
4. Exemption for Veterans - to study providing a property tax exemption for veterans.
5. Exemptions on Residences - to study exemptions on secondary residences and clarifying exemptions on primary residences (S.B. 192).
6. Homestead Exemption - to study issues related to the Utah Homestead Exemption.
7. Housing Tax Exemptions - to study tax exemptions for subsidized housing for rehabilitation purposes.
8. Personal Property Tax - to study requiring the Tax Commission to apply certain percentages of value to personal property determined on the basis of other states' percentages of value of personal property (H.B. 386).
9. Truth in Taxation Newspaper Advertisements - to study the cost of truth in taxation newspaper advertisements and the feasibility of requiring newspaper truth in taxation advertisements to appear in an electronic format.

#### **D. Miscellaneous Taxes**

1. Air Carrier Tax Incentives - to study tax incentives for commercial air carriers headquartered in Utah.
2. Impact of Tax Codes - to study the impact of other states' tax codes on Utah residents, particularly telecommuters.
3. Tax Decrease Implementation - to study how the public utility tax decrease in S.B. 34, Gross Receipts Tax Amendments, Repeal and Public Utility Tariffs, goldenrod (dated 1/25/06) lines 156 a-d, would be implemented, including the time line.
4. Uniform Reporting - to study uniform reporting of tax credits, deductions, exemptions, and exclusions.

## **II. Studies Conducted by the Committee Required by Statute**

Section 59-12-104.2 grants an exemption from the state sales and use tax (to the extent that a tax is also imposed by the Navajo Nation) on the sales of certain lodging accommodations and services that occur on Navajo Nation lands. The committee is required to review this exemption during the 2006 interim and determine whether or not it should be continued, modified, or repealed.

### **III. Reports to the Committee Required by Statute**

1. Privately Owned Health Care Organizations Task Force
2. Utah Tax Review Commission:
  - a. Exemptions to the sales and use tax
  - b. Other recommendations
3. Utah State Tax Commission
  - a. Changes to federal income tax law enacted during 2006
  - b. Individual income tax and corporate franchise and income tax credits
  - c. Contributions on the individual income tax return
  - d. Sales and use tax exemption for certain machinery and equipment used in the manufacturing process and normal operating replacements
4. Utah Housing Corporation
  - a. Low income housing individual and corporate income tax credits
5. Department of Community and Economic Development
  - a. Enterprise Zone Act